



News release

August 7, 2012

Acadian to Close its Operations

Moncton, N.B. – Acadian Coach Lines in New Brunswick and Prince Edward Island and Acadian Intercity Coaches in Nova Scotia, are closing their Maritime operations by the end of this year. Employees were given the news this afternoon and government officials are being advised of the decision. The plan is to cease all operations by November 30th of this year.

"It is well known that Acadian has been struggling financially for quite some time and we've worked hard over the last few years to try to implement a sustainable network, to gain flexibility in the regulatory and operational framework and obtain support to allow us to reduce our financial losses but to no avail," explains Denis Andlauer, CEO, Groupe Orléans Express.

The company has been trying to reverse its financial losses (close to \$12 million since the acquisition in 2004 excluding write-offs of amounts due to the parent company) for a number of years. It introduced many operational changes in an effort to become as efficient as possible, and increase passenger volumes. In 2010, the company tried to implement a sustainable network in both New Brunswick and Nova Scotia, however the companies were not granted permission to make the changes they deemed necessary.

Under the current regulatory frameworks, Acadian is granted exclusivity on the routes it operates thus allowing for profitable routes to compensate for less sustainable ones, particularly those serving communities with low population density that generate low passenger volumes.

Overall, the network should be profitable however it is not the case in the Maritimes. The weight of non-profitable routes is simply too great.

"Since we cannot keep sustaining significant financial losses indefinitely, we had to consider all of our options," explains Andlauer. "Sadly, we've exhausted all other alternatives and we have no choice but to close our Maritime operations. The decision to cease our activities has been a very difficult one and it was only taken after having rigorously evaluated every alternative and explored all scenarios."

"We wish to thank the traveling public and the people of New Brunswick, Prince Edward Island and Nova Scotia for their support over the years," continues Andlauer. "We're committed to working closely with our employees and unions to help all personnel with either retirement or with finding other employment."

About Acadian

Founded in 1937, Acadian is the Maritimes' largest intercity coach line, with operations in New Brunswick and P.E.I. (Acadian Coach Lines), and Nova Scotia (Acadian Intercity). Acadian's state-of-the-art fleet covers an average of 5 million km per year. The company provides courier services through its Acadian Express Courier division and also offers charters. Acadian has been part of Groupe Orléans Express since 2004.

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